

April 30, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue Northwest
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 Third Street Southwest
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your ongoing efforts to implement the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program (PPP) to help our nation's small businesses and their employees get through this challenging time. In response to the interim final rule published on April 27, 2020, that provides additional guidance to seasonal businesses, we write to bring your attention to an issue facing seasonal businesses that already applied for and/or received a PPP loan.

As you both know, this interim final rule provides seasonal businesses with an alternative timeframe they can use to calculate their average monthly payroll for purposes of determining their PPP loan award. Prior to this, seasonal businesses generally had to calculate their average monthly payroll using a timeframe starting on either February 15, 2019, or March 1, 2019 based on provisions in the CARES Act. However, because many seasonal businesses across the nation are open later on in the year, like Memorial Day through Labor Day in South Dakota for example, these initial timeframes were largely insufficient in helping businesses maximize their loan award. We are pleased that this interim final rule provides an additional timeframe in which businesses can calculate their average monthly payroll to include "any consecutive 12-week period between May 1, 2019, and September 15, 2019."

Though this change is a step in the right direction, we would like to respectfully request that you clarify this interim final rule through additional guidance or an FAQ so seasonal businesses that already applied for or already received a PPP loan have the option to recalculate their loan award with their lender. South Dakota has hundreds of seasonal businesses that help drive our state's tourism industry, and many of them already applied for or already received a PPP loan. In our view, these businesses should not be penalized for being proactive in applying for PPP. Therefore, we believe that additional guidance or an FAQ should be provided to ensure that seasonal businesses that already applied for or already received a PPP loan can recalculate their loan award in an effort to maximize the assistance they can receive through PPP.

Thank you for your attention to this matter and for your work in helping our nation's small businesses through this challenging time. We look forward to seeing this issued addressed soon.

Sincerely,



JOHN THUNE
United States Senator



M. Michael Rounds
United States Senator



Dusty Johnson
Member of Congress